

WHAT IS THE DEPARTMENT OF FINANCIAL INSTITUTIONS?

It is Indiana's Department of Financial Institutions and is a service of the State Government for the people of Indiana.

The department was created by the Indiana Financial Institutions Acts of 1933 with the responsibility of supervising commercial banks, trust companies, private banks, savings banks, building & loan associations, credit unions, and finance companies incorporated under the laws of the State of Indiana.

The department is responsible for protecting the interest of depositors, shareholders, borrowers, and consumers. The department is a self-supporting branch of State Government and its operating expenses are not paid out of the State General Fund.

The department consists of a division for Depository Institutions and a division for Non-Depository Institutions.

THE NON-DEPOSITORY DIVISION

The Non-Depository Division regulates the following businesses:

Licensed Lenders
Credit Sellers
Consumer Credit Lessors
Pawnbrokers
Rental Purchase Businesses
Check Cashers
Money Transmitters
Budget Service Companies

Non-Depository institutions include a wide variety of businesses from small independent companies to large multi-state companies.

The division protects citizens of the state by ensuring that these non-depository institutions comply with the Indiana statutes regulating their transactions. This is accomplished through licensing and registration; examination; and consumer and industry education.

We are constantly reviewing our procedures, policies, and philosophies to achieve our goal to represent and serve the consumer and industry.

LICENSING & REGISTRATION

Licensing through the Department of Financial Institution, Non-Depository Division is required to conduct the following businesses:

Licensed Lenders - making more than five second mortgage loans or 25 consumer loans annually in Indiana.

Pawnbrokers
Check Cashers
Money Transmitters
Budget Service Companies

Registration with the Department of Financial Institutions is required for businesses who are regularly engaged in **consumer** credit sales and leases under the Indiana Consumer Credit Code and rental purchase businesses under the Rental Purchase Agreement Act.

These businesses include:

Companies taking assignment of credit sales contracts made in Indiana.

Retail merchants who finance their credit sales/leases and/or assign contracts to financial institutions

Persons who finance their services and/or assign contracts to financial institutions.

Businesses who make consumer leases.

Businesses who make rent-to-own agreements.

Any business who engages in more than 25 consumer credit transactions for a personal, family, or household purpose or more than five consumer credit transactions secured by an interest in land which is not a first lien, is required to register with the Department of Financial Institutions. There is no fee for registration.

Contact the Non-Depository Division of the Department of Financial Institutions for further licensing or registration information.

EDUCATION & ASSISTANCE

Consumers and industries have rights and responsibilities and the Department of Financial Institutions provides educational services and assistance to both groups, such as:

- ◆ Study units and Mini-Lessons for High Schools and Colleges.
 - ◆ A statewide toll-free consumer help line, 1-800-382-4880 is available for information and requests for assistance.
 - ◆ Various brochures are provided for individuals or groups seeking credit information.
 - ◆ The department coordinates or participates in public consumer education events.
 - ◆ Industry groups and the department share information regarding consumer needs and trends.
 - ◆ Consumer assistance in understanding the terms of contracts and the legal rights of both parties.
 - ◆ Educate consumers on the advantages, consequences, and wise use of borrowing or buying on credit.
 - ◆ Assistance in consumer complaints. Complaints within the department's jurisdiction are handled to a conclusion. Recommendations are given for assistance in complaints outside the jurisdiction of the department.
 - ◆ Simplify, clarify, and modernize the laws the division regulates to keep them conformed to the policies of federal statutes.
 - ◆ Foster competition among suppliers of consumer credit so consumers may obtain credit at reasonable cost.
 - ◆ Protect consumer buyers, lessees, and borrowers against unfair practices by some suppliers of consumer credit, having due regard for the interest in legitimate and scrupulous creditors.
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The Indiana Department of Financial Institutions, Division of Consumer Credit has many other credit related brochures available, such as:

- Answers to Credit Problems
- Applying for Credit
- At Home Shopping Rights
- Bankruptcy Facts
- Buried in Debt
- Car Financing Scams
- Charge Card Fraud
- Choosing A Credit Card
- Co-Signing
- Credit and Divorce
- Credit and Older Consumers
- Deep in Debt?
- Equal Credit Opportunity
- Fair Credit Reporting
- Fair Debt Collection
- Gold Cards
- Hang up on Fraud
- High Rate Mortgages
- Home Equity Credit Lines
- How to Avoid Bankruptcy
- Indiana Uniform Consumer Credit Code
- Look Before you Lease
- Mortgage Loans
- Repossession
- Reverse Mortgage Loans
- Rule of 78s – What is it?
- Scoring for Credit
- Shopping for Credit
- Using Credit Cards
- Variable Rate Credit
- What is a Budget?

Call our toll-free number or write to the address on the cover for a copy of any of the brochures listed or for further consumer credit information. You can also access information at our web site on the Internet: <http://www.dfi.state.in.us>, then click on Consumer Credit.



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DEPARTMENT OF FINANCIAL INSTITUTIONS

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